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Government of Indonesia Attempts to Stabilize Rising Beef Prices

Report Categories:

Agricultural Situation

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Report Highlights:

On July 18, 2013, the Ministry of Trade (MOT) issued Decree No. 699/2013 on beef price stabilization. The Decree allows the importation of beef cattle by feedlots and slaughterhouses during the period of July 18-December 31, 2013. General importers are not allowed to import cattle. The government hopes to stabilize beef prices which continue to skyrocket as a result of GOI's overly restrictive beef import policy, inadequate domestic supplies and rising demand.

General Information:

On July 17, 2013 coordination meeting at the Coordinating Ministry for Economic Affairs concluded there is a need to increase the availability of beef cattle in the country. In conjunction with this decision, MOT authorized business operators other than registered importers (IT) of animal and animal products to import beef cattle in attempt to stabilize beef prices.

MOT Decree No. 699/2013 dated July 18, 2013 on beef price stabilization.

Key provisions of Decree No. 699/2013 include the following:

- 1. There is a need to increase the live cattle supply with sufficient numbers of imported beef cattle that will be carried out gradually in order to stabilize beef prices.
- 2. Importing can be carried out by feedlots and slaughterhouses.
- 3. Importing can be conducted after obtaining permits from the MOT and the Ministry of Agriculture (MOA).
- 4. Business operators should apply for import permits via Trade Service Unit (UPP), Ministry of Trade. Import permit requirements include importer identification number/API, proof of cattle ranch or cattle transit area and abattoir ownership or contract, cold chain facilities, Export Supply Chain Assurance System Certificate /ESCAS, etc.
- 5. The beef cattle import allocation per each business operator will be set by the MOT by considering the capacity of their facilities.
- 6. The imported beef cattle must be slaughtered and distributed directly to retailers with the selling price that suits the Government of Indonesia (GOI) program.
- 7. Importers must report the number of beef cattle slaughtered everyday to Directorate General of Domestic Trade at the MOT.
- 8. The decree comes into effect on date of stipulation and ends on December 31, 2013.

Unofficial English translation of this regulation is available at **this link**.